

**SAN DIEGO COUNTY CONSORTIUM**

**FISCAL YEAR 2006-07**

**COMMUNITY DEVELOPMENT BLOCK GRANT**

**HOME INVESTMENT PARTNERSHIPS**

**EMERGENCY SHELTER GRANT**

**and**

**HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS**

**FUNDING PLAN STRATEGY**

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COMMUNITY DEVELOPMENT BLOCK GRANT STRATEGY

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**STATEMENT OF COMMUNITY DEVELOPMENT OBJECTIVES**

1. Provide for the orderly development of adopted Neighborhood Revitalization Areas, recognizing priorities of the County, participating cities, and advisory groups.
2. Provide affordable, long-term housing opportunities for eligible, low- and moderate-income residents of the Urban County, with emphasis on low-income residents, in accordance with the San Diego County Consortium Consolidated Plan.
3. Aid in the rehabilitation of the housing stock with preference to projects within the Urban County.
4. Provide assistance to property owners or renters who may be relocated as a result of federally funded activities.
5. Stimulate economic development and community reinvestment.
6. Upgrade public facilities within Neighborhood Revitalization Areas.
7. Provide public services and facilities necessary for the direct support of housing or neighborhood revitalization activities, as opposed to social services not directly related to those activities.

**COMMUNITY DEVELOPMENT BLOCK GRANT  
NEIGHBORHOOD REVITALIZATION AREA CRITERIA**

Selected communities within the unincorporated area of San Diego County have been designated as “Neighborhood Revitalization Areas” (NRA’s) in order to channel CDBG funds where they are most needed. NRA’s have also been designated in the six participating cities for the same purpose. The criteria for selection of the NRA’s include the following:

1. Primary benefit to lower-income households with income at or below 80% of area median income.
2. Condition of housing
3. Adequacy of public facilities and services
4. Health, welfare, and safety needs
5. Lower-income employment opportunities
6. Cost/benefit potential
7. Social indicators

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8. Compatibility with the County's General Plan
9. Community interest

San Diego Urban County Community Development Block Grant (CDBG) funds will be allocated within Neighborhood Revitalization Areas, to implement the following activities:

Affordable Housing Development	Public Services
Residential Rehabilitation	Planning Activities
Public Improvements	Program Administration
Economic Development	

1. Affordable Housing Development  
[COUNTY STRATEGIC PLAN INITIATIVE: *Promote safe and livable communities*]

CDBG funds may be used for property acquisition, rehabilitation, and site improvements to stimulate housing development for lower-income persons. However, funds may also be used for pre-development costs, new construction, and other eligible housing activities if carried out by Community-Based Development Organizations. Project sites may be located outside designated Neighborhood Revitalization Areas.

2. Residential Rehabilitation (Housing Preservation)  
[COUNTY STRATEGIC PLAN INITIATIVE: *Promote safe and livable communities*]

CDBG funds may be used for a Residential Rehabilitation Program within the unincorporated area and participating cities, including low-interest amortized and deferred payment loans. Preference will be provided to projects that eliminate health and safety violations and promote energy conservation within designated Neighborhood Revitalization Areas.

3. Public Improvements  
[COUNTY STRATEGIC PLAN INITIATIVES: *Improve opportunities for children; Promote safe and livable communities; Promote resource management strategies that ensure environmental preservation, quality of life, and economic development*]

CDBG funds may be used for eligible public improvements, such as parks, streets, community centers, drainage structures, etc., within designated Neighborhood Revitalization Areas. Feasibility studies and public improvements designed to support proposed housing development projects may also be funded. The Plan will also include \$200,000 specifically set aside in the Annual Funding Plan for County unincorporated area fire protection facilities and equipment.

Based on input received from the Board offices, the following specific public improvement activities are high priorities for funding in the County unincorporated area: parks and recreation facilities, streets, sidewalks, and libraries. Other funding priorities include: childcare centers, youth centers, senior centers, fire stations/equipment, flood/drainage improvements, pedestrian bridges, and water/sewer improvements.

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4. Economic Development

[COUNTY STRATEGIC PLAN REQUIRED DISCIPLINE: *Promote safe and livable communities*]

CDBG funds may be used for eligible development projects that create jobs for low-income persons, aid small businesses, and strengthen the fiscal base of a Neighborhood Revitalization Area. Economic development goals may also be accomplished through the funding of economic revitalization plans that identify strategies and actions that assist local business communities and residents they serve.

5. Public Services

[COUNTY STRATEGIC PLAN INITIATIVE: *Promote safe and livable communities*]

CDBG funds may be used for public services that directly relate to and support physical community revitalization or housing development activities, as opposed to social services not directly related to those activities.

6. Planning Activities

[COUNTY STRATEGIC PLAN INITIATIVE: *Promote natural resource management strategies that ensure environmental preservation, quality of life, and economic development*]

CDBG funds may be used for planning activities that may include preparation of economic revitalization plans or assessments of facilities and housing needs.

7. Program Administration

[COUNTY STRATEGIC PLAN REQUIRED DISCIPLINE: *Maintain high level of operational excellence*]

A portion of the CDBG entitlement will be set aside for community development planning, development of housing programs, program administration, and overhead costs.

### CDBG APPLICATION PROCESS

The following review and recommendation process will be used for preparation of the Annual Funding Plan for CDBG Program funding of community development projects:

1. Assigned County staff will annually solicit community development proposals from within the Urban County through community meetings, mailings, and media releases in accordance with, and immediately following, approval of the annual CDBG Program Strategy.
2. Staff will review all submitted community development proposals for compliance with federal grant eligibility requirements, obtain additional information from the applicants as required, and transmit a listing of the proposals to the appropriate County departments for review to determine:

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- a. If the proposed project appropriately addresses the identified problem;
  - b. If the proposed project complies with existing State and County laws, ordinances, regulations, and policies;
  - c. The feasibility of timely implementation of the project, including issues that would be expected to cause delays;
  - d. Whether cost estimates are accurate;
  - e. Departmental priority recommendations;
  - f. Applicant's fiscal capacity; and
  - g. Applicant's project administration experience and capacity.
3. County staff will visit each community development proposal site to identify physical circumstances that may bear on the final funding recommendation.
4. Following completion of the community development proposal review, including consideration of all relevant information available, staff will develop a list of all community development proposals received. The list shall be presented to the Board of Supervisors for consideration during a scheduled public hearing on the CDBG/HOME Investment Partnerships/Emergency Shelter Grant/Housing Opportunities for Persons with AIDS Annual Funding Plan, and shall include:
  - a. Eligible proposals recommended for funding, in accordance with general funding allocations included in the approved annual CDBG Program Strategy;  
  
Eligible proposals, which are approved and submitted by participating city councils, which meet CDBG Program policy requirements, and which are within the participating city's annual funding allocation, shall be included in the recommended listing;  
  
Recommended community development projects which are located within the Urban County and high priority proposals, if any, located within other entitlement jurisdictions that will serve Urban County residents in approximate proportion to the requested funding;
  - b. Eligible proposals that are not recommended for funding, but listed as "alternatives;" and
  - c. Proposals that do not comply with federal CDBG eligibility requirements.
5. An open Notice of Funding Availability (NOFA) process is used by the County Department of Housing and Community Development to disburse CDBG and HOME Investment

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Partnerships funds for housing development activities. Emergency Shelter Grant funds and Housing for Persons with AIDS Program funds are disbursed through separate NOFAs.

PRELIMINARY ESTIMATED STRATEGY ALLOCATIONS

	FINAL FY 2005-06 <u>ENTITLEMENT</u>	ESTIMATED FY 2006-07 <u>ENTITLEMENT</u>
Cities	\$ 694,694	\$ 694,694
Unincorporated	<u>2,153,976</u>	<u>2,153,976</u>
Total Community Development Projects	\$ 2,848,670	\$2,848,670
 Total Housing Development/ Preservation Projects	 \$ 1,959,376	 \$1,959,376
 Administration	 <u>\$ 600,747</u>	 <u>\$ 600,747</u>
 <b>Total</b>	 <b>\$ 5,408,793</b>	 <b>\$5,408,793</b>

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FY 2006-2007  
HOME INVESTMENT PARTNERSHIPS PROGRAM STRATEGY

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San Diego Urban County Consortium HOME Investment Partnerships (HOME) funds will be allocated to Consortium jurisdictions, local housing authorities, and for-profit and non-profit organizations within the Consortium area to implement the following activities:

Housing Acquisition/Rehab	Rental Assistance
Housing Rehabilitation	Homeownership Assistance Programs
Housing Construction	Administration/Planning

COUNTY STRATEGIC PLAN. HOME Program activities address the County Strategic Plan Initiative: *Promote safe and livable communities.*

1. Housing Acquisition/Rehabilitation

HOME funds may be used for acquisition of existing housing units for lower-income persons and special needs groups, regardless if rehabilitation is needed.

2. Housing Rehabilitation

HOME funds may be used for housing rehabilitation costs incurred separately or in connection with the acquisition of existing housing for lower-income persons and special needs groups.

3. Housing Construction

Where acquisition and rehabilitation of the existing housing stock is not appropriate to meet the needs for affordable housing, HOME funds may be used for all eligible costs of new housing construction, including acquisition of unimproved real property, for lower-income persons and special needs groups. However, acquisition of vacant land must be undertaken only with respect to a particular housing project intended to provide affordable housing. "Land banking" is prohibited under the HOME Program.

4. Rental Assistance

HOME funds may be used for tenant-based rental assistance, security deposits, and eligible related costs. In particular, Urban County HOME funds may be set aside for a Special Needs Tenant-Based Rental Assistance Program, which provide rental subsidies to targeted special needs populations identified by the County Health and Human Services Agency. The amount of the set-aside in Fiscal Year (FY) 2006-07 will be determined prior to finalization of the 2006-07 Annual Funding Plan, and will be based on HOME funds available from previous allocations and a recommended level of Urban County HOME funding for this purpose in FY 2006-07.

5. Homeownership Assistance Programs

HOME funds may be used to support homeownership programs benefiting low- and moderate-income households.

6. Administration/Planning

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HOME funds up to an allowed maximum of 10% of the HOME entitlement may be used for eligible HOME administration and planning costs, including direct administrative and overhead costs, public information, fair housing, and program development costs. A portion of these funds, up to one percent of the HOME entitlement, is collectively allocated to the six Consortium cities for HOME Program administration expenses. Each city will be entitled to an equal amount, on an as-needed basis.

7. Notice of Funding Availability Process

The Urban County HOME program funds and CDBG housing funds are distributed to affordable housing projects through an open Notice of Funding Availability (NOFA) process. NOFA applications can be submitted throughout the year until all available funds have been allocated or until further notice. The Housing NOFA encourages housing applications for “senior housing,” “family housing,” “special needs housing,” and those that incorporate Energy Efficient and/or On-site Energy Generation components.

8. Leverage

Whenever possible, HOME funds will be leveraged with other public and private funding sources to enhance program productivity. The HOME Program requires a minimum 25% of HOME funds to be matched with funds from other sources.

9. Area of Activity

The six HOME Consortium cities -- Carlsbad, Encinitas, La Mesa, San Marcos, Santee, and Vista -- are each allocated a portion of the HOME funds to be spent on affordable housing activities within the respective Consortium cities.

Affordable housing projects, funded with the Urban County portion of the entitlement, must be located within the jurisdiction of the Urban County of San Diego or serve residents of the Urban County. The Urban County includes the County unincorporated area and the cities of Coronado, Del Mar, Imperial Beach, Lemon Grove, Poway, and Solana Beach. Due to the limited amount of funding available, affordable housing activities located outside these eligible areas may be considered only for those proposals that clearly demonstrate a benefit to “special needs” residents of the Urban County. In addition, there must be a substantial contribution from the local jurisdiction involved and a proportional sharing of affordable housing credits. Projects located in the Urban County will receive the highest priority in the award of the Urban County portion of the housing funds.



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PRELIMINARY ESTIMATED STRATEGY ALLOCATIONS

	FINAL FY 2005-06 <u>ENTITLEMENT</u>	ESTIMATED FY 2006-07 <u>ENTITLEMENT</u>
Consortium Cities Housing Projects	\$ 1,537,979	\$ 1,537,979
Urban County Housing Projects	<u>2,269,463</u>	<u>2,269,463</u>
Total Housing Projects	\$ 3,807,442	\$ 3,807,442
 Program Administration	 <u>\$ 423,049</u>	 <u>\$ 423,049</u>
<b>Total</b>	<b>\$ 4,230,491</b>	<b>\$ 4,230,491</b>

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HOME AMERICAN DREAM DOWNPAYMENT INITIATIVE STRATEGY

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The American Dream Downpayment Initiative (ADDI) is a recently established downpayment assistance component of the HOME Investment Partnerships Program. ADDI funds can be used for downpayment assistance toward the purchase of single-family housing by low-income, first-time homebuyers within the HOME Consortium. The funds will primarily be used to leverage funds in existing Consortium HOME first-time homebuyer programs.

PRELIMINARY ESTIMATED STRATEGY ALLOCATIONS

	FINAL FY 2005-06 <u>ENTITLEMENT</u>	ESTIMATED FY 2006-07 <u>ENTITLEMENT</u>
Consortium Cities and Urban County Housing Projects	\$146,050	\$146,050
 <b>Total Housing Projects</b>	 <b>\$146,050</b>	 <b>\$146,050</b>

SAN DIEGO COUNTY CONSORTIUM  
FY 2006-2007  
EMERGENCY SHELTER GRANT STRATEGY

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San Diego Urban County Emergency Shelter Grant (ESG) funds will be allocated within the Urban County to implement a broad range of eligible activities that benefit homeless persons directly through local housing authorities or non-profit agencies. Preference is given to battered, homeless women and children. Eligible activities include:

Shelter Renovation, Conversion or Rehabilitation  
Shelter Operations  
Essential Services

Homelessness Prevention  
Homeless Program Staffing  
and Administration

COUNTY STRATEGIC PLAN. ESG Program activities address the County Strategic Plan Initiative: *Promote safe and livable communities.*

1. Renovation, Conversion or Rehabilitation

ESG funds may be used for homeless shelter renovation, conversion, or rehabilitation costs.

2. Shelter Operations

ESG funds may be used for direct operational costs of homeless shelters.

3. Essential Services

ESG funds may be used for the costs of essential services provided to homeless persons within allowable funding maximums.

4. Homelessness Prevention

ESG funds may be used for programs that prevent homelessness within allowable funding maximums.

5. Staffing and Administration

Up to five percent of the ESG fund allocation may be used for eligible ESG program staffing and operational costs directly related to funded shelters, and for grant administration.

6. Leverage

Whenever possible, ESG funds will be leveraged with other public and private funding sources to enhance program productivity. The ESG Program requires that 100% of ESG funds be matched with funds from other sources.

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7. Areas of Activity

ESG funds may be used for activities outside of the Urban County when a proportionate benefit to residents of the Urban County, or to persons of original address in the Urban County, can be demonstrated. However, due to the difficulty of siting homeless facilities, existing homeless facilities serving regional needs may be recommended for funding regardless of location.

PRELIMINARY ESTIMATED STRATEGY ALLOCATIONS

	FINAL FY 2005-06 <u>ENTITLEMENT</u>	ESTIMATED FY 2006-07 <u>ENTITLEMENT</u>
Urban County Projects	\$ 198,472	\$ 198,472
 Program Administration	 <u>10,445</u>	 <u>10,445</u>
 <b>Total</b>	 <b>\$ 208,917</b>	 <b>\$ 208,917</b>

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HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM STRATEGY

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The Housing Opportunities for Persons with AIDS (HOPWA) program provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families. The HOPWA entitlement grants are provided by formula allocations to States and metropolitan areas with the largest number of cases and incidence of AIDS. Although the City of San Diego is the grantee for the HOPWA Program, an agreement with the City allows the County to administer and operate the program. HOPWA funds will be allocated regionally within San Diego County through local housing agencies or non-profit agencies. Activities eligible for HOPWA funds include:

Housing information services	Short-term rent, mortgage and
Resource identification	utility payments
Acquisition/rehabilitation	Supportive services
New construction	Operating costs for housing
Rental assistance	Administrative expenses

COUNTY STRATEGIC PLAN. HOPWA Program activities address the County Strategic Plan Initiative: *Promote safe and livable communities.*

The following activities may be carried out with HOPWA funds:

1. Housing Information Services, including, but not limited to, counseling, information, and referral services to assist an eligible person to locate housing and supportive services.
2. Resource Identification to establish, coordinate, and develop housing assistance resources for eligible persons.
3. Acquisition/Rehabilitation, plus lease, and repair of facilities to provide housing and services.
4. New Construction of community residences, single-room occupancy housing units, and long-term affordable housing units (Americans with Disabilities Act compliance activities only).
5. Rental Assistance, project or tenant-based assistance, including assistance for shared housing arrangements.
6. Short-term Rent, Mortgage and Utility Payments to prevent the homelessness of the tenant or mortgagor of a dwelling.
7. Supportive Services, including, but not limited to, health, mental health assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care personal assistance, and nutritional services.
8. Operating Costs for Housing, including maintenance, security, operation, insurance, utilities, furnishings, equipment, supplies, and other incidental costs.
9. Administrative Expenses up to 10% of the entitlement amount to be used for program staffing and operational costs associated with grant administration.
10. Leverage: Insofar as possible, HOPWA funds will be leveraged with other public and private

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funding sources to enhance program productivity.

11. Area of Activity: The funds will be allocated regionally within San Diego County, including the City of San Diego.

PRELIMINARY ESTIMATED STRATEGY ALLOCATIONS \*

	FINAL FY 2005-06 <u>ENTITLEMENT</u>	ESTIMATED FY 2006-07 <u>ENTITLEMENT</u>
Regional County of San Diego HOPWA Projects	\$ 2,274,300	\$ 2,274,300
Program Administration	<u>252,700</u>	<u>252,700</u>
<b>Total</b>	<b>\$ 2,527,000</b>	<b>\$ 2,527,000</b>

- The City of San Diego is the grantee for the HOPWA Program. The County administers and operates the program as per an agreement with the City.

## NEIGHBORHOOD REVITALIZATION AREA MAPS

Please see maps at the following website:

[http://www.co.san-diego.ca.us/sdhcd/organizations/cdbg\\_applications.html](http://www.co.san-diego.ca.us/sdhcd/organizations/cdbg_applications.html)